

Call to Order

The regular meeting was called to order at 7:05 p.m.

Roll Call

Present: Bryan Wehrung Richard Hughes
 Jerry Bixby Fan Lin, Student Rep
 Kent Voigt Cindy Stewart, City Liaison
 Penny Marinos

 Bob Victor, Guest

Absent: Shazad Butt

Introduction

Bob Victor, Interested in filling the vacancy of Dick Minnick. Bob is self-employed in technological solutions. His background is in the fields of radio and technology. A graduate of Citizens Academy, he is a 27 year resident.

Approval of Minutes

Motion to approve minutes of October 15, 2003 by Voigt, second by Bixby.
Approved unanimously.

Correspondence

- A. WOW – Price Changes – October 29, 2003 Letter: Price increases effective after 12/14/03. Monthly price for Limited Basic Cable Service changing to \$11.99, Basic Cable Service to \$39.99, and Monthly price for Digital Cable changed to \$17.99. WOW Cable Modem is now \$2.50.
- B. Comcast – Cable Guide Book No Longer Available – Nov. 14, 2003 Letter: They do offer an interactive on-screen guide, which appears to be a better alternative.
- C. Comcast – New Channel, Oxygen, added to digital lineup on 12/18, 2003.
- D. Comcast – Price Changes – Nov. 24, 2003 Letter
- | Price Changes | Old | New | Increase |
|------------------|-------|-------|----------|
| Digital Silver | 64.99 | 67.99 | 4.4% |
| Digital Gold | 75.99 | 78.99 | 3.8% |
| Digital Platinum | 86.99 | 90.99 | 4.5% |
| Starz Digital | 9.95 | 14.95 | 50% |

Board agrees that in recent years Comcast has taken steps to improve customer service.

- E. Comcast – New Channel, TV Orient added to digital lineup – 12/18/04
- F. Comcast – New Channel Additions (Cinemax HDTV, Starz Kids, Soapnet) & Channel Repositions (MTV Espanol, VH1 Soul, Nick Too) – 12/16/03.
- F. Resignation from CAC Member Richard Minnick dated Jan. 5, 2004

New Business

- A. Cable Franchise Fee Lawsuit - City Attorney Lou Bluhm
City of Troy and Royal Oak served first on 12/3/02. Other cities named include Ann Arbor, Grand Rapids, Midland, Canton, Livonia, Muskegon, St. Clare Shore, Warren, Westland, and Kalamazoo.

Troy is doing a joint a aggressive defense with Royal Oak, Warren, Midland, and St. Clare Shores. Miller Van Eaton out of Washington D.C. is representing our communities.

Argument: They pay 5% of gross revenues (\$811,000 for Troy in 2002). Since we don't channel the money directly into cable, but into the general fund, they say it constitutes a tax. And their argument is you cannot tax residents without a ballot question. The number #1 flaw is that it is not us, but cable companies with line item on bill. 5% is a rent of our infrastructures, not a tax.

Flaw #2 - they sued the wrong people. It should be cable companies challenging this, not the communities. Communities spend lot of time negotiating franchise agreements.

By January 23, 2004, the first motion will be filed asking for immediate dismissal. They did not attach contracts and the cable companies, as necessary parties should be involved. Not sure why Troy and Royal Oak sewed first.

Other communities not served include Dearborn. In Dearborn, all monies there are directly segregated and spent on cable. They also count direct costs - infrastructure costs.

These people-filing suit want a refund of the \$811,000 to customers, but in reality in a class action lawsuit, the attorneys get the money.

FCC says communities are entitled to franchise fees as negotiated in their agreements.

City Attorney does not want to see Troy defending class action lawsuit- it will cost community a substantial amount of money (punitive damages, attorneys fees, interest, etc). Franchise fees are a rent for the use of infrastructure.

In a similar Texas case it was proven that it was legal to charge franchise fees and that they were not a tax.

Regarding the lawsuit:

Cable is also an “elective service.” We do not have to have cable unlike water.

How did the franchise fee as a line item get approved on bill? Initially bills were shown to ICCA for review, but we ultimately had no control. As a line item a FCC decision approved the franchise fee.

Anything CAC can do to assist City Attorney? CAC can make recommendations to city council and make sure cable companies are accountable.

CAC members asked City Attorney to provide periodic summary re: lawsuit to Cindy for dissemination to the committee. She will do this. Troy’s judge in this case is Judge Patrick Brennan and for Royal Oak it is Judge Gene Schnelz.

Do you recommend the City doing something such as segregate our franchise fees within the city budget for providing cable services? YES.

Franchise agreements do not say that franchise fees must all be used to fund cable services. It is a fee for the use of our rights of way.

Board supports City Attorney's work in settling this class action lawsuit.

- B. CMN 2002-2003 Annual Report – Cindy handed out corrected pages from CMN’s Director to their annual report.

Old Business

A. Cable Complaint Logs

WideOpenWest: July - December 2003

Majority appears to be installation or equipment problems. Doing much better than in past years. WOW does better in their presentation of complaints. CAC could suggest Comcast streamline complaint reporting.

Board member ratings - 1- 5 (5 being the highest)

JB	PM	BW	KU	RH	FL	BV	Total	
3.6	4	4	4	5	4	3	3.9	WOW
3.2	4	4	2	1	3	2	2.7	Comcast

IX. Staff Report

- A. Awards for Cable Productions – Two Philo Awards - good job
- B. CAC Action at last meeting – asked if Council had any comments. No.
- C. Publication list – members will each start reading the publications and give reports at future CAC meetings. All members will also check out tvguide.com and cmntv.org. Cindy will resend publication list with each agenda with new listings.

Kent- Broadcasting & Cable / TV broadcast

Bob- Internet week

Fan- Electronic Media

Penny- New Media Magazine

Jerry-

Shazad-

Red- Interactive Week

Bryan- TV Technology and Digital Trends

D. WTRY Cable Guide

E. CMN Cable Guide

F. ICCA Meeting Notes

G. Next Meeting is Thursday, April 22 at CMN. Send map with packet.

Motion to send CAC recommendation to City Council to appoint Bob Victor to committee by Marinos, second by Voigt. All in favor.

Motion by Marinos, second by Voigt to adjoin. Approved unanimously.

Meeting adjourned at 9:10 pm

Bryan Wehrung, CAC Chairman

Cindy Stewart, Recording Secretary